

EFFECT OF THE WAR ON EUROPE'S CREDIT

Great Changes Caused by Huge Expenditures Are Shown by London "Economist."

ENORMOUS LOANS MADE

The following article showing the effect of the war on Europe's credit is taken from the London *Economist*:

We propose to exhibit the public credit of the belligerent nations and the tremendous changes that have been brought about by the titanic expenditure of this superhuman struggle. Our first table shows the position of the credit of allied countries over the seven years that preceded the war and the change brought about in that period:

Price	Price	Yield	Yield
July	July		
1907. Yield	1914. Yield		
100% 4% consols	51 5 3	11 16	11 16
British 3%	78	21 19	19
Prussian 3% rents	95	22 12	19
French 3% rents	75	21 12	19
Belgian 4% unifid.	31 18 0	12 12	12
Hung. 4% ster.	85	1 16	16
Hung. 4% rent.	88	5 1 3	16
Russian 4% unifid.	70 5 6 9	5 16	16
German 4% unifid.	100	5 1 3	16
British 3% consols	13	4 12	12
1908. Yield	1914. Yield		
British 3% consols	100	4 12	12
Prussian 3% rents	138	4 12	12
French 3% rents	100	4 12	12
Belgian 4% unifid.	100	4 12	12
Hung. 4% ster.	85	4 12	12
Hung. 4% rent.	88	5 1 3	16
Russian 4% unifid.	100	5 1 3	16
British 3% unifid.	100	5 1 3	16
Description—	100% 4% consols	100% 4% consols	100% 4% consols
British 3% unifid.	100% 4% unifid.	100% 4% unifid.	100% 4% unifid.
British 3% rents	100% 4% rents	100% 4% rents	100% 4% rents
Prussian 3% rents	100% 4% rents	100% 4% rents	100% 4% rents
French 3% rents	100% 4% rents	100% 4% rents	100% 4% rents
Belgian 4% unifid.	100% 4% unifid.	100% 4% unifid.	100% 4% unifid.
Hung. 4% ster.	100% 4% ster.	100% 4% ster.	100% 4% ster.
Hung. 4% rent.	100% 4% rent.	100% 4% rent.	100% 4% rent.
Russian 4% unifid.	100% 4% unifid.	100% 4% unifid.	100% 4% unifid.
British credit, it will be seen, suffered a net loss in price on the seven years of 100% points, while the yield increased 100% points over the period and yields were 100% points higher than the war began. Italian 3% rents gave a return of 113-18 per cent. at the end of last July. In 1907 they were 5 per cent. While an income tax of 20 per cent. was deducted from the yield, which makes the return for the two periods equal, the same bonds showed only a small fall on the seven years, but the yield was much higher owing to the nearer date of redemption. Russian 4% credit showed a good improvement over 1907, but her credit at that time had been depressed by the struggle with Japan, from which she was only just recovering.			

Tenteonic Credit.
As an indication of the progressive development of the German and Austrian credit abroad we may reproduce an advertisement from the New York *Tribune* of December 1:

Owing to the further decline in German and Austrian exchange rates, we offer
NEW GERMAN 6% WAR LOAN
(Not callible before 1924)

100% Yield. Interest beginning April 1, 1916.

IMPERIAL GERMAN 4% BONDS
(Not callible before 1918)

100% Yield. Interest beginning April 1, 1916.

100% Yield. Interest beginning April 1, 1916.

Our correspondents are:

In Germany—Deutsche Bank and Dresdner Bank.

In Austria and Hungary—Wiener Bank-Verein, K. K. privat Handel und Gewerbe and Allgemeine Umlaufscheinkreditbank.

We loan up to certificates of definitive value on our behalf.

Zimmermann & Fornay, 9 Wall Street, Exchange, 9 and 11 Wall Street.

A decline from 237 to 185 is equivalent to a fall from 100 to 78 or 22 per cent.

The approximate equivalent of 1,000 kronen in American money is \$203.

The yield on a 5% consol offered \$141.55.

The yield on a 4% per cent. bond at 100% is 4% per cent.

Belgium first entered the London market just before the war with a loan of \$12,000,000, so that comparisons with 1907 cannot be shown. French 3% rents showed a fall of 18% points over the period and yields were 100% points higher than the war began. Italian 3% rents gave a return of 113-18 per cent. at the end of last July. In 1907 they were 5 per cent. While an income tax of 20 per cent. was deducted from the yield, which makes the return for the two periods equal, the same bonds showed only a small fall on the seven years, but the yield was much higher owing to the nearer date of redemption. Russian 4% credit showed a good improvement over 1907, but her credit at that time had been depressed by the struggle with Japan, from which she was only just recovering.

Tenteonic Allies' Credit.

Our next table shows the position of the credit of enemy countries over the seven years before the war:

Price	Price	Yield	Yield
end of	end of		
1907. Yield	1914. Yield		
Description—	100% 4% gold	80 5 10	5 10
Bulgaria 4% gold rents	100	5 10	5 10
Germany 4% rents	100	5 10	5 10
Prussian 4% rents	100	5 10	5 10
Turkish 4% unifid.	100	5 10	5 10
British 3% rents	100	5 10	5 10
Belgian 4% unifid.	100	5 10	5 10
Austrian 4% unifid.	100	5 10	5 10
Hungarian 4% unifid.	100	5 10	5 10
Russian 4% unifid.	100	5 10	5 10
British 3% unifid.	100	5 10	5 10
Belgian 4% rents	100	5 10	5 10
Austrian 4% rents	100	5 10	5 10
Hungarian 4% rents	100	5 10	5 10
Turkish 4% unifid.	100	5 10	5 10
British 3% unifid.	100	5 10	5 10
Belgian 4% unifid.	100	5 10	5 10
Austrian 4% unifid.	100	5 10	5 10
Hungarian 4% unifid.	100	5 10	5 10
Turkish 4% unifid.	100	5 10	5 10
British 3% unifid.	100	5 10	5 10
Belgian 4% rents	100	5 10	5 10
Austrian 4% rents	100	5 10	5 10
Hungarian 4% rents	100	5 10	5 10
Turkish 4% unifid.	100	5 10	5 10
British 3% unifid.	100	5 10	5 10
Belgian 4% unifid.	100	5 10	5 10
Austrian 4% unifid.	100	5 10	5 10
Hungarian 4% unifid.	100	5 10	5 10
Turkish 4% unifid.	100	5 10	5 10
British 3% unifid.	100	5 10	5 10
Belgian 4% rents	100	5 10	5 10
Austrian 4% rents	100	5 10	5 10
Hungarian 4% rents	100	5 10	5 10
Turkish 4% unifid.	100	5 10	5 10
British 3% unifid.	100	5 10	5 10
Belgian 4% unifid.	100	5 10	5 10
Austrian 4% unifid.	100	5 10	5 10
Hungarian 4% unifid.	100	5 10	5 10
Turkish 4% unifid.	100	5 10	5 10
British 3% unifid.	100	5 10	5 10
Belgian 4% unifid.	100	5 10	5 10
Austrian 4% unifid.	100	5 10	5 10
Hungarian 4% unifid.	100	5 10	5 10
Turkish 4% unifid.	100	5 10	5 10
British 3% unifid.	100	5 10	5 10
Belgian 4% unifid.	100	5 10	5 10
Austrian 4% unifid.	100	5 10	5 10
Hungarian 4% unifid.	100	5 10	5 10
Turkish 4% unifid.	100	5 10	5 10
British 3% unifid.	100	5 10	5 10
Belgian 4% unifid.	100	5 10	5 10
Austrian 4% unifid.	100	5 10	5 10
Hungarian 4% unifid.	100	5 10	5 10
Turkish 4% unifid.	100	5 10	5 10
British 3% unifid.	100	5 10	5 10
Belgian 4% unifid.	100	5 10	5 10
Austrian 4% unifid.	100	5 10	5 10
Hungarian 4% unifid.	100	5 10	5 10
Turkish 4% unifid.	100	5 10	5 10
British 3% unifid.	100	5 10	5 10
Belgian 4% unifid.	100	5 10	5 10
Austrian 4% unifid.	100	5 10	5 10
Hungarian 4% unifid.	100	5 10	5 10
Turkish 4% unifid.	100	5 10	5 10
British 3% unifid.	100	5 10	5 10
Belgian 4% unifid.	100	5 10	5 10
Austrian 4% unifid.	100	5 10	5 10
Hungarian 4% unifid.	100	5 10	5 10
Turkish 4% unifid.	100	5 10	5 10
British 3% unifid.	100	5 10	5 10
Belgian 4% unifid.	100	5 10	5 10
Austrian 4% unifid.	100	5 10	5 10
Hungarian 4% unifid.	100	5 10	5 10
Turkish 4% unifid.	100	5 10	5 10
British 3% unifid.	100	5 10	5 10
Belgian 4% unifid.	100	5 10	5 10
Austrian 4% unifid.	100	5 10	5 10
Hungarian 4% unifid.	100	5 10	5 10
Turkish 4% unifid.	100	5 10	5 10
British 3% unifid.	100	5 10	5 10
Belgian 4% unifid.	100	5 10	5 10
Austrian 4% unifid.	100	5 10	5 10
Hungarian 4% unifid.	100	5 10	5 10
Turkish 4% unifid.	100	5 10	5 10
British 3% unifid.	100	5 10	5 10
Belgian 4% unifid.	100	5 10	5 10
Austrian 4% unifid.	100	5 10	5 10
Hungarian 4% unifid.	100	5 10	5 10
Turkish 4% unifid.	100	5 10	5 10
British 3% unifid.	100	5 10	5 10
Belgian 4% unifid.	100	5 10	5 10
Austrian 4% unifid.	100	5 10	5 10
Hungarian 4% unifid.	100	5 10	5 10
Turkish 4% unifid.	100		